

Budget & the Economy

The Economy and Jobs Economic recovery and unemployment present daunting challenges for policymakers at the Federal Reserve, in the Administration and for those of us in Congress. We watched in horror as our economy teetered on the brink of disaster in 2008, and as it became clear that the federal government needed to act decisively to prevent an economic free-fall. Treasury Secretary Paulson of the Bush administration and Ben Bernanke of the Federal Reserve urged Congress to approve their plan to provide up to \$700 billion in loans to the financial sector to unfreeze the credit markets and restart the economy. I agreed with their plan and I voted to prevent an economic disaster. I also voted for the Recovery Act (ARRA) in early 2009 to provide countercyclical support for the economy. This package included tax cuts and other assistance for individuals and businesses, aid to struggling state governments, and funding for infrastructure projects to create jobs. As the economy began to recover, unemployment remained alarmingly high and tax revenue to state governments continued to fall. During 2009, I voted for several short-term extensions of safety-net programs such as those to extend unemployment insurance and COBRA tax credits for laid-off workers, a temporary fix of the Alternative Minimum Tax (AMT), and additional assistance for state governments. At this point in the recovery, I do not believe we should continue safety-net measures without paying for them, and this year I began to oppose further short-term extensions of these programs. As a leader of the fiscally conservative "Blue Dog" Democrats, I will always vote to spend your money prudently and wisely. Earlier, I voted against the auto bailout, feeling this was an inappropriate use of the public's money. Looking ahead, I think it is absolutely essential that we develop a long-term plan to get our fiscal house in order so that the markets and businesses will have confidence that we can control spending and move to more balanced budgets. Failure to develop and adopt such a plan will prolong the economic slowdown, delay the creation of millions of private-sector jobs, and risk the credit rating of the federal government. While emergency spending has been necessary to help stabilize and spur our economy during the recession, it is now time to focus on the hard choices we must make on entitlements, other spending, and revenue. Everything must be on the table. We need to set aside our ideological biases and take practical steps to create a sustainable economic future. Several years ago, I introduced legislation to create a bipartisan commission to develop a long-term fiscal plan for the nation. President Obama created such a commission by executive order earlier this year, and it will present its recommendations in December. Once these recommendations are made to the Congress and the country, I will do everything in my power to persuade my colleagues to make the hard but necessary choices to right our fiscal ship, keep the economy growing, and prevent excessive debt from being passed to future generations. Reducing Deficits and Debt

As a leader of the fiscally conservative "Blue Dog" Democrats in Congress, I focus intently on the budget, the deficit, and controls on spending. I am a strong supporter of budget rules such as the "pay-as-you-go" law that requires Congress to pay for new programs -- by either cutting existing programs or raising revenue, except for emergencies. The underlying philosophy is simple: we need to pay for things rather than putting our spending on the nation's credit card.

I care so much about responsible budgeting that I wrote the forward to a government report, The Financial Report of the United States of America, which was published in 2006. By applying private sector accounting to the public debt, the book makes the case that we need to act now to prevent a fiscal cancer from destroying our nation.

It is clear that if we do not reduce the size of the deficits in future years, the federal government risks losing its "AAA" credit rating. If this happens, it will significantly increase our borrowing costs, crowd out other spending and be a devastating development for our economy.

The new bipartisan National Commission on Fiscal Responsibility and Reform was based on legislation that I authored. The Commission will make recommendations to Congress and the public later this year after carefully looking at long-term revenue and spending projections, with everything on the table.

While the growing costs of entitlement programs are the major source of our long-term deficit problems, controlling our short-term spending is also important. I continuously look for ways to cut spending, and I have voted for across-the-board spending cuts. I think that government must tighten its belt, just as families and businesses have done. As a further step to reduce spending, I do not request or support "earmarks" for special spending projects and have voted consistently to strip them from annual appropriations bills.

Protecting Social Security

I work hard in Congress to improve America's long-term federal budget outlook so we can ensure the future of Social Security. Any changes that Congress might adopt in the future regarding Social Security payroll taxes, the eligibility age, and other features of the program will be designed to protect the benefits of those now on Social Security while ensuring the future strength of the program. Since 1984, Social Security has been generating a surplus, which is currently \$2.6 trillion. Due to the aging of our population, however, more people will be collecting Social Security benefits in the future, and fewer workers will be paying taxes to pay for those benefits, so some changes will be necessary to preserve the program.

RECENT NEWS AND UPDATES

June 9, 2009 â™™ Pay-as-you-go (PAYGO) â™™I joined President Obama for an event at the White House about the need to reestablish statutory PAYGO rules that helped turn budget deficits into budget surpluses in the late 1990s. PAYGO is not perfect, but it is a proven tool of budget discipline. It makes Congress to prioritize, paying for new spending programs or tax cuts with reciprocal spending cuts or revenue raisers elsewhere. Simply put, PAYGO forces Congress to stop digging.

March 24, 2009 â™™ "Ten Trillion and Counting" â™™ PBS Frontline â™™ Cooper is interviewed in a documentary exploring national debt and its origins. March 18, 2009 â™™ SAFE Commission â™™ In 2007, I first introduced the SAFE Commission with Rep. Frank Wolf (R-VA), and we reintroduced SAFE this year as H.R. 1557. I strongly support addressing the long-term budget imbalance between growing entitlement programs, such as Social Security and Medicare, and projected revenue. Our plan would create a bipartisan commission to deal with the long-term fiscal gap by putting all options on the table. With support from members of all ideological perspectives, the SAFE Commission could be just the thing to get our fiscal future under control.

February 18, 2009 â™™ We Need "Swift Action" to Solve Economic Crisis â™™ Op-ed from Christian Science Monitor â™™ Few Americans have any idea how bad the financial problems are that President Obama inherited from the Bush administration. Never mind the housing bubble, the bank meltdown, or the bailout scandals – I am talking about the failure of federal government to honestly account either for its own actions or for America's most important programs: Medicare, Social Security, and Medicaid…

December 15, 2008 â™™ The Financial Report â™™ Every year, the Treasury Department publishes the real, audited numbers for our government. This document is in the same format as a public company's annual report, and uses private sector accounting. Including what we promise for Medicare and Social Security benefits, the unfunded liabilities of the federal government in 2009 totaled more than \$56 trillion, not the \$10 trillion typically reported. We cannot get our budget problems under control until we can fully measure them.

October 23, 2008 â™™ Cooper Demands Answers from Greenspan, Cox, Snow about Coming Fiscal Crisis â™™ "Have you done anything… to highlight the real numbers for America?"

LINKS AND ADDITIONAL INFORMATION

[Congressional Budget Office \(CBO\)](#)

[House Budget Committee](#)

[United States Department of the Treasury – Current Financial Report](#)

[The United States Debt Clock](#)

[The White House Office of Management and Budget](#)